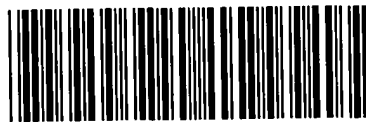


**FXPRO INVEST LTD  
(PREVIOUSLY HERMEX INTERNATIONAL LIMITED)**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2019**

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**FXPRO INVEST LTD**

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**COMPANY INFORMATION**

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<b>Directors</b>	Marios Demetriades Charalambos Psimolophitis Pavlos Argyrou
<b>Registered number</b>	06766829
<b>Registered office</b>	13/14 Basinghall Street London EC2V 5BQ
<b>Independent auditors</b>	Simmons Gainsford LLP Chartered Accountants & Statutory Auditors 7-10 Chandos Street London W1G 9DQ

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**FXPRO INVEST LTD**

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## **FXPRO INVEST LTD**

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### **STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019**

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#### **Introduction**

The directors present their strategic report for FxPro Invest Ltd (the "Company") for the period ended 31 December 2019.

As at 6 January 2019 the Company became authorised by the Financial Conduct Authority ("FCA") as an Electronic Money Institution under the Electronic Money Regulations 2011 under reference number 900870.

#### **Developments in the year**

Up until 8 August 2019 the company provided foreign currency exchange payment services. On 8 August 2019, most assets of the Company, including existing contracts, have been sold to a third party.

The company is currently in the development stage of its new electronic money business. The company has not incurred any sales in regards to this trade.

#### **Business review**

From 1 January 2019 to 8 August 2019 the company continued to trade as a foreign currency exchange payment service provider. The net trading revenue for this period was £597,736 (15 month period ending 31 December 2018: £1,171,730). The company incurred a loss for this period of £471,316 (15 month period ending 31 December 2018: loss of £608,632). See note 8 for a further breakdown.

Following the sale of the business (comprising assets) as a going concern for £2,000,000, the Company realised a gain on disposal amounting to £1,638,166, net of tax liabilities (note 8).

The new electronic money business incurred losses in the year of £92,987 with further losses expected until the product is launched in 2020.

#### **Financial key performance indicators**

When the new product is launched the company's Key Performance Indicators ("KPIs"), with which management will monitor the business and its performance will be net trading revenue (gross profit), and profitability. The Company is in the process of utilising its license and has not yet generated any revenues from the electronic money business.

**STRATEGIC REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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**Principal risks and uncertainties**

The company's activities, as outlined above, expose it to a variety of risks. The risks are outlined below, except for Credit risk, Foreign Currency risk and Liquidity risk which are outlined in note 14 of the financial statements.

**Operational and systems risk**

This is a risk that derives from possible deficiencies relating to the Company's information technology and systems' control, as well as the risks of human error and natural disasters. The Company's systems are evaluated, maintained and upgraded continuously. Separation of power and authority regarding vital functions of the Company exists and the Board reviews any decisions made by management and monitors their activities.

**Compliance risk**

This is the risk of financial loss, including fines and other penalties, which may arise from non-compliance with laws and regulations. The Company is authorised and regulated by the FCA. Any changes in the regulatory framework and directives relating to the Company's services and operations could expose the Company to considerable risk. This risk is limited to a significant extent due to the supervision applied by the Compliance function, the use of external compliance and regulatory advisors, as well as by the monitoring controls applied by the Company.

**Reputation risk**

This is the risk of loss of reputation arising from the negative publicity relating to the Company's operations (whether justified or unjustified) that may result in a reduction of its clientele, reduction in revenue and legal claims against the Company.

**Brexit**

The management of the Company does not believe that the UK's exit from the European Union ("EU") will affect its ability to operate going forward. Management will closely monitor the impact that Brexit might have and act accordingly to mitigate any impact that could arise from regulatory change resulting from Brexit.

**Coronavirus**

The management of the Company does not believe that the Coronavirus will have a direct impact on its ability to continue to provide its planned services. However, the demand for these services will be dependent on the overall economic environment. The management will closely monitor the situation and act accordingly to mitigate any impact.

This report was approved by the board on 23 April 2020 and signed on its behalf.



**Charalambos Psimolophitis**  
Director

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## **FXPRO INVEST LTD**

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### **DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019**

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The directors present their report and the financial statements for the period ended 31 December 2019.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the directors' report and the financial statements, in accordance with applicable law.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

#### **Principal activity**

The principal activity of the company in the period under review was that of foreign currency exchange payment services. On the 8 August 2019 this trade was sold to a third party. The company is now trading as an electronic money institution.

#### **Directors**

The directors who served during the period were:

Kyrillos Kyriacou (resigned 12 August 2019)  
Marios Demetriades (appointed 7 January 2019)  
Charalambos Psimolophitis (appointed 7 January 2019)  
Pavlos Argyrou (appointed 7 January 2019)

#### **Financial instruments**

The Directors have considered the risks associated with financial instruments in note 14.

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**FXPRO INVEST LTD**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Auditors**

The auditors, Simmons Gainsford LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 23 April 2020 and signed on its behalf.



**Charalambos Psimolophitis**  
Director

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FXPRO INVEST LTD**

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**Opinion**

We have audited the financial statements of FxPro Invest Ltd for the period ended 31 December 2019 which comprise the Statement of profit or loss, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies set out on pages 15 - 18. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following information in the Annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the Annual report that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation in the Annual report that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity;
- the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements; or
- the directors' explanation in the annual report as to how they have assessed the prospects of the company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FXPRO INVEST LTD**

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**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FXPRO INVEST LTD**

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**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

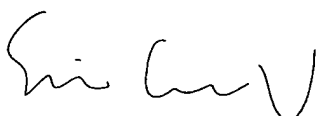
**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Pumfrey (Senior statutory auditor)

for and on behalf of  
**Simmons Gainsford LLP**

Chartered Accountants  
Statutory Auditors

7-10 Chandos Street  
London  
W1G 9DQ

23 April 2020

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**FXPRO INVEST LTD**

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**STATEMENT OF PROFIT OR LOSS  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
Administrative expenses		(92,987)	-
<b>(Loss)/profit before tax</b>		<u>(92,987)</u>	<u>-</u>
<b>(Loss)/profit from continuing operations</b>		<u>(92,987)</u>	<u>-</u>
Profit/(loss) on discontinued operations, net of tax	8	1,166,850	(608,632)
<b>Profit/(loss) for the period</b>		<u><u>1,073,863</u></u>	<u><u>(608,632)</u></u>
There was no other comprehensive income for 2019 (2018: £NIL).			

**FXPRO INVEST LTD**  
**REGISTERED NUMBER: 06766829**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	13,820	11,761
Intangible assets	10	57,600	-
		<u>71,420</u>	<u>11,761</u>
<b>Current assets</b>			
Trade and other receivables	11	1,254,092	20,050,793
Cash and cash equivalents	17	1,071,037	105,420
		<u>2,325,129</u>	<u>20,156,213</u>
<b>Total assets</b>		<u>2,396,549</u>	<u>20,167,974</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other liabilities	12	582,374	19,427,663
<b>Total liabilities</b>		<u>582,374</u>	<u>19,427,663</u>
<b>Net assets</b>		<u>1,814,175</u>	<u>740,311</u>
<b>Issued capital and reserves</b>			
Share capital	14	220,720	220,720
Share premium reserve		999,900	999,900
Retained earnings		593,555	(480,309)
<b>TOTAL EQUITY</b>		<u>1,814,175</u>	<u>740,311</u>

The financial statements on pages 10 to 26 were approved and authorised for issue by the board of directors on 23 April 2020 and were signed on its behalf by:



**Charalambos Psimolophitis**  
Director

**FXPRO INVEST LTD**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	Share capital £	Share premium £	Retained earnings £	Total equity £
<b>At 1 January 2019</b>	220,720	999,900	(480,308)	740,312
Profit for the period	-	-	1,073,863	1,073,863
<b>Total comprehensive income for the period</b>	-	-	1,073,863	1,073,863
<b>Total contributions by and distributions to owners</b>	-	-	-	-
<b>At 31 December 2019</b>	220,720	999,900	593,555	1,814,175

The notes on pages 14 to 18 form part of these financial statements.

	Share capital £	Share premium £	Retained earnings (restated) £	Total equity (restated) £
<b>At 1 October 2017 (as previously stated)</b>	100	-	4,701	4,801
Prior year adjustment	-	-	123,622	123,622
<b>At 1 October 2017 (as restated)</b>	100	-	128,323	128,423
Loss for the period	-	-	(608,632)	(608,632)
<b>Total comprehensive income for the period</b>	-	-	(608,632)	(608,632)
Issue of share capital	220,620	999,900	-	1,220,520
<b>Total contributions by and distributions to owners</b>	220,620	999,900	-	1,220,520
<b>At 31 December 2018</b>	220,720	999,900	(480,309)	740,311

The notes on pages 14 to 18 form part of these financial statements.

**FXPRO INVEST LTD**

**STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the period	1,073,863	(608,632)
<b>Adjustments for</b>		
Depreciation of property, plant and equipment	12,944	5,346
Finance income	-	(92)
Loss on sale of property, plant and equipment	16,932	-
Income tax expense	-	(2,058)
	<u>1,103,739</u>	<u>(605,436)</u>
<b>Movements in working capital:</b>		
Decrease/(increase) in trade and other receivables	18,796,701	(9,478,737)
Increase/(decrease) in trade and other payables	(18,845,289)	10,105,043
	<u>1,055,151</u>	<u>20,870</u>
<b>Cash generated from operations</b>		
Income taxes paid	-	(2,058)
	<u>1,055,151</u>	<u>18,812</u>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(31,934)	(13,908)
Purchase of intangibles	(57,600)	-
Interest received	-	92
	<u>(89,534)</u>	<u>(13,816)</u>
<b>Net cash used in investing activities</b>		
	<u>965,617</u>	<u>4,996</u>
<b>Net cash increase in cash and cash equivalents</b>		
Cash and cash equivalents at the beginning of period	105,420	100,424
	<u>1,071,037</u>	<u>105,420</u>
<b>Cash and cash equivalents at the end of the period</b>		

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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**1. Reporting entity**

FxPro Invest Ltd (the 'Company') is a limited company incorporated in England and Wales. The Company's registered office is at 13/14 Basinghall Street, London, EC2V 5BQ.

**2. Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs). They were authorised for issue by the Company's board of directors on 23 April 2020.

Details of the Company's accounting policies, including changes during the period, are included in note 3.

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 5.

**2.1 Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

<b>Items</b>	<b>Measurement basis</b>
Financial instruments	Fair value

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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**2. Basis of preparation (continued)**

**2.2 Changes in accounting policies**

**i) New standards, interpretations and amendments effective from 1 January 2019**

The following tables summarise the impacts of adopting new accounting standards on the Company's financial statements.

**ii) New standards, interpretations and amendments not yet effective**

The following standard and interpretation was effective in 2019, but has not had a material impact on the Company:

**IFRS 16 Leases**

The following standards and interpretations to published standards are not yet effective:

<b>New standard or interpretation</b>	<b>EU Endorsement status</b>	<b>Mandatory effective date (period beginning)</b>
IFRS 17 Insurance Contracts		1 January 2021

The directors anticipate that the adoption of other Standards and interpretations that are not yet effective in future periods will only have an impact on the presentation in the financial statements of the Company.

**3. Accounting policies**

**3.1 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue represents the total sterling consideration received in the provision of foreign currency to customers. The company is deemed to be the principal in the transaction with both the customer and the bank. Revenue is recognised at the time the foreign currency contract is entered into rather than the maturity date of the transaction.

**3.2 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

**Current tax**

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the Income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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**3. Accounting policies (continued)**

**3.3 Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following range:

Fixtures and fittings	3 years straight line
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**3.4 Intangible assets**

**Intangible assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Computer software	5 years straight line
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**3.5 Financial instruments**

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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**3. Accounting policies (continued)**

**3.6 Financial assets**

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables, including trade and other receivables, bank balances and cash, and others are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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**3. Accounting policies (continued)**

**3.7 Financial liabilities and equity instruments**

**Financial liabilities**

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

*Financial liabilities at FVTPL*

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which IFRS 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains/losses' line item.

*Other financial liabilities*

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

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**FXPRO INVEST LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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**4. Functional and presentation currency**

These financial statements are presented in pound sterling, which is the Company's functional currency. All amounts have been rounded to the nearest pound, unless otherwise indicated.

**5. Accounting estimates and judgments**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**6. Auditors' Remuneration**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Auditors' Remuneration	<b>11,500</b>	<b>11,500</b>

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**FXPRO INVEST LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**7. Employee benefit expenses**

The average monthly number of employees, including directors, during the year was 13 (2018 - 19).

	2019 £	2018 £
<b>Employee benefit expenses (including directors) comprise:</b>		
Wages and salaries	53,333	-
National insurance	15,140	-
Defined contribution pension cost	443	-
	<u>68,916</u>	<u>-</u>

**Key management personnel compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including the directors of the Company listed on page 1, and the Financial Controller of the Company.

	2019 £	2018 £
Salary	<u>53,333</u>	<u>-</u>

**Employee benefit expenses (including directors) from discontinued operations comprise:**

	2019 £	2018 £
Wages and salaries	890,105	1,513,632
National insurance	129,907	166,198
Defined contribution pension cost	7,786	7,094
	<u>1,027,798</u>	<u>1,686,924</u>

**Key management personnel compensation from discontinued operations comprise:**

	2019 £	2018 £
Salary	<u>339,744</u>	<u>500,000</u>

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**8. Discontinued operations**

The post-tax gain on disposal of discontinued operations was determined as follows:

	2019 £	2018 £
Consideration received	2,000,000	-
<b>Total consideration received</b>	<b>2,000,000</b>	<b>-</b>
<b>Net cash inflow on disposal of discontinued operations</b>	<b>2,000,000</b>	<b>-</b>
<b>Net assets disposed (other than cash):</b>		
Property, plant and equipment	(9,912)	-
Financial assets held at fair value	(19,095,266)	-
Financial liabilities held at fair value	18,933,344	-
	(171,834)	-
Pre-tax gain on disposal of discontinued operation	1,828,166	-
Related tax expense	(190,000)	-
<b>Gain on disposal of discontinued operations</b>	<b>1,638,166</b>	<b>-</b>

The post-tax gain on disposal of discontinued operations was determined as follows:

	2019 £	2018 £
<b>Result of discontinued operations</b>		
Revenue	128,227,872	205,315,800
Cost of sales	(127,630,136)	(204,144,070)
Administrative expenses	(1,069,052)	(1,782,512)
Tax credit	-	2,058
Other income	-	92
Gain from selling discontinued operations after tax	1,638,166	-
<b>Profit for the period</b>	<b>1,166,850</b>	<b>(608,632)</b>
	2019 £	2018 £
<b>Earnings per share from discontinued operations</b>		
Basic earnings per share	5,834.00	(3,771.00)

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**9. Property, plant and equipment**

	<b>Fixtures and fittings £</b>
<b>Cost or valuation</b>	
At 1 October 2017	9,822
Additions	13,908
<b>At 31 December 2018</b>	<u>23,730</u>
Additions	31,935
Disposals	(32,927)
<b>At 31 December 2019</b>	<u><u>22,738</u></u>
	<b>Fixtures and fittings £</b>
<b>Accumulated depreciation and impairment</b>	
At 1 October 2017	6,623
Charge owned for the period	5,346
<b>At 31 December 2018</b>	<u>11,969</u>
Charge owned for the period	12,944
Disposals	(15,995)
<b>At 31 December 2019</b>	<u><u>8,918</u></u>
<b>Net book value</b>	
At 1 October 2017	3,199
At 31 December 2018	11,761
At 31 December 2019	<u><u>13,820</u></u>

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**10. Intangible assets**

	<b>Computer software £</b>
<b>Cost</b>	
Additions	57,600
<b>At 31 December 2019</b>	<u>57,600</u>
	<b>Computer software £</b>
<b>Accumulated amortisation and impairment</b>	
<b>Net book value</b>	
At 31 December 2019	<u>57,600</u>

**11. Trade and other receivables**

	<b>2019 £</b>	<b>2018 £</b>
Receivables from related parties	912,000	888,000
Prepayments and accrued income	42,092	4,866
Financial assets held at fair value	-	19,155,204
Other receivables	300,000	2,723
<b>Total trade and other receivables</b>	<u>1,254,092</u>	<u>20,050,793</u>
Less: current portion - prepayments and accrued income	(42,092)	(4,866)
Less: current portion - other receivables	(300,000)	(2,723)
Less: current portion - receivables from related parties	(912,000)	(888,000)
Less: current portion - financial assets held at fair value	-	(19,155,204)
<b>Total current portion</b>	<u>(1,254,092)</u>	<u>(20,050,793)</u>
<b>Total non-current portion</b>	<u>-</u>	<u>-</u>

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**12. Trade and other payables**

	2019 £	2018 £
Trade payables	12,136	11,801
Amounts owed to related parties	114,163	388,000
Financial liabilities held at fair value	-	18,933,344
Other payables	32,440	6,252
Accruals	235,693	21,282
Tax and social security	187,942	66,984
<b>Total trade and other payables</b>	<b>582,374</b>	<b>19,427,663</b>
Less: current portion - trade payables	(12,136)	(11,801)
Less: current portion - amounts owed to related parties	(114,163)	(388,000)
Less: current portion - financial liabilities held at fair value	-	(18,933,344)
Less: current portion - other payables	(220,382)	(73,236)
Less: current portion - accruals	(235,693)	(21,282)
<b>Total current portion</b>	<b>(582,374)</b>	<b>(19,427,663)</b>
<b>Total non-current position</b>	<b>-</b>	<b>-</b>

**13. Financial Instruments**

There is no material difference between the book value and the fair value of the company's financial assets/liabilities.

**Credit Risk**

Credit risk is the loss that the company would incur if the counterparty in a transaction failed to perform its contractual obligation.

The carrying amount of financial assets represents the maximum credit exposure.

**Foreign Currency Risk**

The company undertakes transactions denominated in foreign currencies and consequently exposes itself to exchange rate fluctuations.

Management monitors the exchange rate fluctuations and acts accordingly to minimise risk.

**Liquidity Risk**

Liquidity risk is the risk of not having sufficient cash supplies to meet its operational needs.

Management are prudent when managing cashflow and the company is financially supported by its parent undertaking.

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**14. Share capital**

**Authorised**

	2019 Number	2019 £	2018 Number	2018 £
<b>Shares treated as equity</b>				
Ordinary shares of £1.00 each	200	200	200	200
Preference shares shares of £1.00 each	220,520	220,520	220,520	220,520
	<u>220,720</u>	<u>220,720</u>	<u>220,720</u>	<u>220,720</u>

**Issued and fully paid**

	2019 Number	2019 £	2018 Number	2018 £
<b>Ordinary shares of £1.00 each</b>				
At 1 January and 31 December	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>

	2019 Number	2019 £	2018 Number	2018 £
<b>Preference shares shares of £1.00 each</b>				
At 1 January and 31 December	<u>220,520</u>	<u>220,520</u>	<u>220,520</u>	<u>220,520</u>

**15. Related party transactions**

**15.1 Trading transactions**

The following balances were outstanding at the end of the reporting period:

	<b>Amounts owed by related parties</b>		<b>Amounts owed to related parties</b>	
	2019 £	2018 £	2019 £	2018 £
Hermex Holdings Limited (Parent Company)	-	888,000	109,115	-
FxPro Group Limited (Ultimate parent company)	912,000	-	-	388,000
FxPro UK Limited (fellow subsidiary undertaking)	-	-	5,048	-
	<u>912,000</u>	<u>888,000</u>	<u>114,163</u>	<u>388,000</u>

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**16. Ultimate controlling party**

The immediate parent undertaking is Hermex Holdings Limited. The company is ultimately controlled by a number of individuals, none of whom has a controlling interest.

**17. Notes supporting statement of cash flows**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Cash at bank available on demand	1,071,037	105,420
<b>Cash and cash equivalents in the statement of financial position</b>	<b>1,071,037</b>	<b>105,420</b>
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>1,071,037</b>	<b>105,420</b>